

DOCUMENT RESUME

ED 111 313

HE 006 762

AUTHOR Flanagan, Dan
TITLE Policy Formulation and Implementation: An Analysis of Administrative Decentralization.
PUB DATE Jul 75
NOTE 21p.

EDRS PRICE MF-\$0.76 HC-\$1.58 Plus Postage
DESCRIPTORS *Decentralization; *Decision Making; Evaluation Criteria; *External Degree Programs; *Higher Education; Information Dissemination; Organization; *Policy Formation; Student School Relationship
IDENTIFIERS *Empire State College

ABSTRACT

The literature on decentralization of policy decisions is reviewed from economics, political science, and higher education. Decentralization in colleges and universities is found to mean a diffusion of authority, influence, and/or information sharing relating to policy decisions. A number of variables are discussed as they might influence the extent of decentralization. This typology of decentralization is applied to Empire State College. (Author)

* Documents acquired by ERIC include many informal unpublished *
* materials not available from other sources. ERIC makes every effort *
* to obtain the best copy available. nevertheless, items of marginal *
* reproducibility are often encountered and this affects the quality *
* of the microfiche and hardcopy reproductions ERIC makes available *
* via the ERIC Document Reproduction Service (EDRS). EDRS is not *
* responsible for the quality of the original document. Reproductions *
* supplied by EDRS are the best that can be made from the original. *

ED1111313

HE

POLICY FORMULATION AND IMPLEMENTATION:
AN ANALYSIS OF ADMINISTRATIVE DECENTRALIZATION

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY.

by

DAN FLANAGAN

Box 386

North Amherst, Massachusetts

01059

July, 1975

HE 006 762

POLICY FORMULATION AND IMPLEMENTATION:

AN ANALYSIS OF ADMINISTRATIVE DECENTRALIZATION

The concepts of centralization and decentralization of decision making are more prevalent in the literature of economics and political science than of higher education. Factors such as the increased size of colleges and universities and the growth of multi-campus systems have led to an increased interest in the concepts of centralization and decentralization of decision making in higher education.

Centralization and decentralization are relative terms; an increase in decentralization of authority means a proportionate decrease of centralized decision making within a particular part of an organization. This analysis will focus on decentralization for two reasons: (1) decentralization has received more attention than centralization in the literature; and (2) decentralization may be a more appropriate focus for Empire State College--our model for applying the theories of decision making.¹

Decentralization usually refers to organizational structure and/or policy decisions. Moran (1971, p 203), for example, suggests that

One organization is more decentralized than another comparable organization to the extent that similar decisions, of approximately equal importance in each organization, are made at a lower administrative level in the first organization than the second.

Goodman (1974, p 217), on the other hand, stresses those elements of decision making which relate to access and influence of the decision making process.

Decentralizing is increasing the number of centers of decision-making and the number of initiators of policy; increasing the awareness by individuals of the whole function in which they are involved; and establishing as much face-to-face association with decision-makers as possible. People are directly engaged in the function.

The literature seems to suggest that centralization of decision making means that policy decisions occur at the top of an organizational heirarchy. To decentralize, then, is to lower the locus of decision making within the heirarchy.

Decentralization of decision making is a style of organization, but it is a style not easily specifiable. The complex nature of decentralizing decision making is referred to by Litterer (1965) and others. Litterer warns that decision making cannot be viewed as a monolithic element which can be shifted from one organizational location to another. There are a number of types of decentralization and variables to consider in determining the relative extent of decentralization within a particular organization.

Decentralization refers to the relative diffusion of the ability to make policy decisions, gain access to information relevant to policy decisions, and/or influence policy decisions within an organizational structure.

Centralization refers to the relative concentration of the same.

The purpose of this paper is to draw upon the literature of political science, economics and higher education in analyzing the decentralized nature of decision making in American colleges and universities. Particular reference will be made to the organizational structure of Empire State College. The analysis will focus on the various types of decentralization and the variables that may influence the degree of decentralization.

EMPIRE STATE COLLEGE

There are two major elements in the organizational structure of Empire State College: (1) the coordinating center and (2) the regional or learning centers. The relative decentralized nature of decision making between and within these two elements is the focus of this analysis.

The coordinating center is composed of the coordinating group (the president and four vice presidents) and several support services (e.g. research, instructional development, admissions processing, and inter-institutional arrangements). The regional learning centers consist of an administrative officer (dean), the mentors (faculty) and students.

Peterson (1971) suggests that all colleges and universities must deal with the differences between academic and administrative decentralization. Although the distinction may be less obvious at Empire State College than at other colleges, there are several ways in which organizational patterns have evolved to separate academic and administrative functions. Specialization is one way. Specialization in planning, for example, may decrease decentralization of the planning process and decrease faculty influence on the planning decision making process. Faculty may be able to

maintain a higher concentration (centralization) of influence on decisions related to academic programs and course offerings. Both academic and administrative decisions are policy decisions. Although Peterson's distinction may be valid, both academic and administrative decisions relate to the extent of decentralization.

Another distinction found in the literature is between economic and government (service) organizations. Economic organizations exist by providing a product or products to buyers. Service organizations also provide a "product," but the delivery system is much less exact. In response to Kochen and Deutsch (1973), Levy and Truman (1971) suggest that the variables of decentralization in service organizations are significantly different from those in economic organizations. Kochen and Deutsch failed to recognize these differences.

Levy and Truman (1971, p 173-4) suggest three salient differences between service and economic organizations: (1) agreement concerning the form and substance of the product; (2) information flow between the various "levels" of the organization; and (3) the existence of valid criteria for evaluating the performance of the organization and its members individually. The product of an Empire State College education may be considered unique for each student. Since the product cannot be fully specified in advance, the criteria for evaluating the performance of the organization and its members are likely to be equally unspecifiable.

Using the Levy and Truman criteria, the relative differences between a service and an economic organization might be summarized as in figure I.

INSERT FIGURE I ABOUT HERE

The relative relationship of the student within the organizational structure of a college or university may provide a fourth difference from an economic organization. Students are not sold a pre-packaged product as a customer of a store. A customer has no relationship to the organization which produces the product they purchase. Nor are students merely clients of service organizations such as a mental health clinic or a government organization such as the Department of Health, Education and Welfare. Less at Empire State College than at a residential campus, but students generally are more closely involved in the college organization than are clients in service organizations or customers in economic organizations.

The organizational structure of Empire State College borrows elements of the economic and service organizations and yet remains a unique organization. It is more of a service organization than an economic organization but with significant differences from the service organizations. An analysis of decentralization must consider all elements of organizational structure. Whether of administrative or academic issues, decentralization of decision making at Empire State may be of several types and be influenced by a variety of factors at any one time.

TYPES OF DECENTRALIZATION

Decentralization can occur on a variety of levels of policy decision making. One level relates to direct policy formulation or the level of authority.² Within the level of authority Peterson (1971) draws distinctions between "policy" decisions, "managerial" decisions and "operating" decisions. Policy decisions establish the organization's long range goals and objectives. Managerial decisions refer to fiscal, facility, program and personnel decisions relating to the organization's goals and objectives. Managerial decisions also refer to conflict resolution and coordination of efforts among the various segments of an organization toward achievement of organizational goals. Operating decisions specifically implement and adapt policy and managerial decisions to the work environment. Bogue and Riggs (1974) create similar categories of distinction between organizational decisions, but they suggest that all categories are policy decisions.³

Authority is basically a stable element in decision making. Management can delegate responsibility, but it does not transfer authority (Litterer, 1965). Organizational structure assigns authority. Each category of authority relating to policy decisions influences the level of decentralization. Authority and its several dimensions constitute one type of decentralization.

A second level of policy decision making is that of influence. Whereas, authority is largely a zero-sum concept⁴ influence is largely dependent upon personal initiative.

While the concept of authority is essentially one which resides in positions and formal groups in a university, the notion of influence by definition resides primarily in the individual. While a person can use his authorized sanctions to influence others, he also can utilize information, beliefs and values, personality, and other social rewards and pressures in a more personal interaction process. Despite its personal nature, the distribution of influence in an organization can be viewed as a measure of its centralized or decentralized pattern of decision making (Peterson, 1971, p 533).

It is not unusual that a person outside the authority structure might wield significant influence on policy decisions. The decentralization of influence depends greatly on the willingness of those in positions of authority to accept input.

The final level of policy decision making is that of information (Portes, 1971). Influence on policy decisions is difficult to achieve outside authority positions if one is ignorant of the facts. The control of information is an important variable in maintaining centralized authority. Control of feedback information at lower levels of organizational hierarchy can affect policy decisions. Hence, the level of information sharing at all levels of an organization influences the level of decentralization.

These are the three basic types of decentralization:

- (1) authority as it refers to the various levels of policy decisions,
- (2) personal influences on policy decisions, and
- (3) the level of information sharing relating to policy decisions.

Each type of decentralization, although interrelated, can vary independently of the others. For example, an organization may have a highly centralized authority structure but relatively decentralized levels of influence and information sharing.

Decentralization may occur along either or both of the horizontal and vertical dimensions of an organization. Authority, influence and information sharing on the horizontal level are relatively independent of authority, influence and the extent of information sharing on the vertical level. Figure II illustrates the vertical and horizontal dimensions of organizational decision making.

INSERT FIGURE II ABOUT HERE

Empire State College, for example, may be relatively centralized vertically if policy decisions originate from the coordinating center to the regional learning centers. Horizontally, policy decisions may be significantly influenced by a number of the center's staff outside the coordinating group. In this case, the coordinating center may be considered relatively decentralized along lines of influence. (See figure III)

INSERT FIGURE III ABOUT HERE

In sum, along both vertical and horizontal organizational lines decentralization of decision making may occur on the level of shared authority, influence and/or sharing of information related to policy. The extent to which each type of decentralization can occur, i.e. vertical sharing of authority, depends upon a number of variables.

THE VARIABLES OF DECENTRALIZATION

For each type of decentralization, i.e. horizontal sharing of information, there are a number of variables which may influence the extent of decentralized decision making. Those variables are both internal and external to the organization.

The external variables will be referred to generally as the "environment." Negandhi and Reimann (1973) refer to the dynamics of the environment as significant influences on the decentralization of organizational decision making. Colleges and universities, as other organizations, are influenced by their environment. Empire State College was established to meet the educational needs of populations not being served by existing institutions. As those needs change, the response to those needs changes.

Suffice it to say that Negandhi and Reimann (1973) suggest decentralization of decision making is more likely to occur in a dynamic environment. Feedback is required from students, mentors and deans of the regional learning centers in order for Empire State College to meet the changing needs of its environment.

There also exist external variables which encourage centralization of decision making. Funding and accrediting

sources such as the New York state legislature and the State University of New York system would tend to be more concerned with efficiency and accountability than with decentralization.

In contrast to the decentralization variables external to the organization are the "internal adaptable" targets of the organization (Krouse, 1972). These can be categorized as organizational structure, goals, and leadership style.

The extent to which decentralization can occur depends on certain structural properties of an organization (Litterer, 1965). The structure of Empire State College may lend itself to greater decentralization than any residential campus. Institutional size and physical distance between offices of administrative authority and the work environment influence the organizational structure and dictate limits to centralization.

The goals of an organization act as guides to policy decisions and therefore influence decentralization. Goals of colleges and universities are influenced by a concern for students and a concern for the organization--its mission, standards, norms, values and well being of its members. Colleges that place a higher priority on a concern for students than a concern for the organization tend to have decentralized structures (Nehandhi and Reimann, 1973).

The extent to which organizational goals can be achieved depends on the degree of specialization or coordination of efforts. Increased coordination of specialized units within a college decreases decentralization. Some level of centralization is required to evaluate, coordinate and adjust

the efforts of the learning centers of Empire State College to better fulfill the goals of the college.

The final internal variable to organizational decentralization is leadership style. Leadership here refers to the style used by an administrator to achieve policy decisions.

A decentralized mode of operation is possible only when certain leadership patterns are in existence. By its very nature, it is fundamentally a definition of leadership which bears important implications for ^{the} way higher authorities look upon their subordinate managers and employees (Litterer, 1965, p 393).

In sum, the extent of decentralization depends upon variables within and external to the organization. The dynamics or stability of the environment, organizational structure, the goals and priorities of the organization and the leadership style of the managers all influence the extent to which decentralized decision making can be accomplished.

SUMMARY AND CONCLUSIONS

Decentralization of policy decisions is such a complex issue that each decision may require a different level of decentralization. Colleges and universities as complex organizations share elements of economic and service organizations. The differences include the relationship of students to the organization, the goals of the organization and the ambiguities of the criteria for evaluation of performance.

A typology of decentralized decision making in colleges and universities might include the six categories formed by extending authority, influence and information sharing along the vertical and horizontal planes. With the internal and external variables, an illustration of the various levels of decentralization in a college or university might resemble figure IV.

INSERT FIGURE IV ABOUT HERE

Centralized policy decisions generally result in increased efficiency and accountability. Decentralized organizational styles allow the college to adapt itself to a dynamic environment and changing learner needs while at the same time requiring alternative ways of accomplishing its goals. Decentralization of policy decisions is a relatively diffused style of organizational decision making. Each policy decision involves a unique college or university structure, unique environmental factors, one or more of a variety of goals and different leadership styles. The extent of decentralization of authority, influence or information sharing is related to these variables.

NOTES

1

Empire State College is part of the State University of New York (SUNY) system. It operates largely through learning centers around the state and has no campus, but its coordinating center is located in Saratoga Springs, New York.

2

For a lengthy discussion of shared authority on college campuses, see Mortimer (1971).

3

The Bogue and Riggs categories include governing policy, executive policy and operating policy.

4

Peterson (1971) refers to authority as a zero-sum concept meaning an increase in authority at one point in an organization requires a decrease at another point.

REFERENCES

- Bogue, E. G. and Riggs, R. O. "Institutional Policy and Its Abuses," Journal of Higher Education. Vol 11, Num 5, May 1974, pp 355-363.
- Goodman, Paul. "Notes on Decentralization," Dissent. Spring 1974, pp 217-227.
- Kochen, Manfred and Deutsch, Karl W. "Decentralization by Function and Location," Management Science. Vol 19, Num 8, April 1973, pp 841-855.
- Krouse, Clement G. "Complex Objectives, Decentralization, and the Decision Process of the Organization," Administrative Science Quarterly. Vol 17, Num 4, December 1972, pp 544-554.
- Levy, Frank and Truman, Edwin M. "Toward a Rational Theory of Decentralization: Another View," The American Political Science Review. Vol 65, Num 1, March 1971, pp 172-179.
- Litterer, Joseph A. The Analysis of Organizations (New York: John Wiley and Sons, Inc.), 1965.
- Moran, William. "Measurement of Decentralization in University Organizations," American Educational Research Journal, Vol 8, Num 2, March 1971, pp 203-219.

REFERENCES CONTINUED:

- Mortimer, Kenneth P. "The Dilemmas in New Campus Governance Structures," Journal of Higher Education. Vol 42, Num 6, June 1971, pp 467-485.
- Negandhi, Anant R., and Reimann, Bernard C. "Task Environment, Decentralization and Organizational Effectiveness," Human Relations. Vol 26, Num 2, 1973, pp 203-214.
- Peterson, Marvin W. "Decentralization: A Strategic Approach," Journal of Higher Education. Vol 42, Num 6, June 1971, pp 521-539.
- Portes, Richard D. "Decentralized Planning Procedures and Centrally Planned Economies," The American Economic Review. Vol 61, Num 2, May 1971, pp 422-428.

	PRODUCT	INFORMATION FLOW	EVALUATION
ECONOMIC ORGANIZATION	SPECIFIABLE, AGREED UPON	CONTROLLED, MANAGEABLE	BEHAVIOR REGULATION
SERVICE ORGANIZATION	DIVERSE, DISAGREEMENT	AMORPHOUS, FREE FLOWING	DISAGREEMENT CONCERNING CRITERIA

FIGURE I

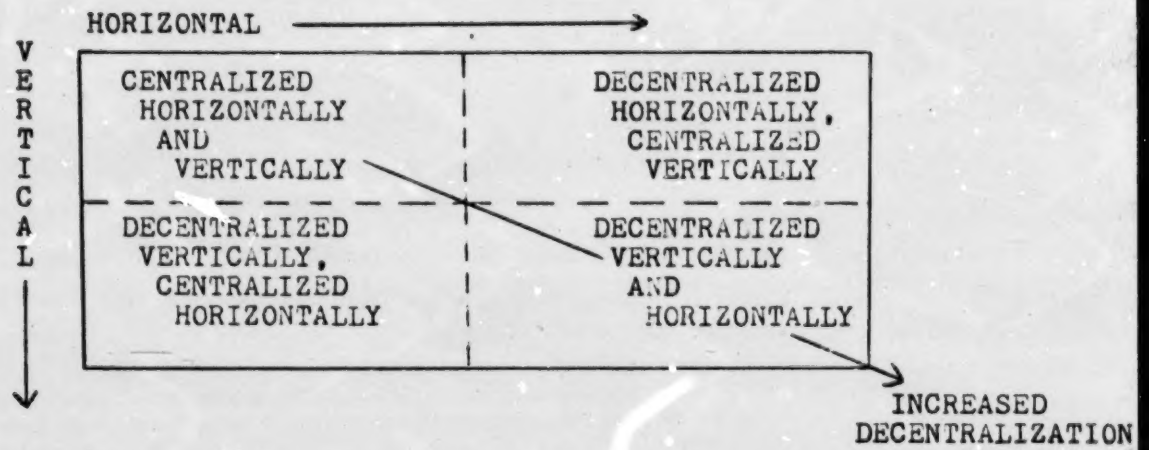


FIGURE II

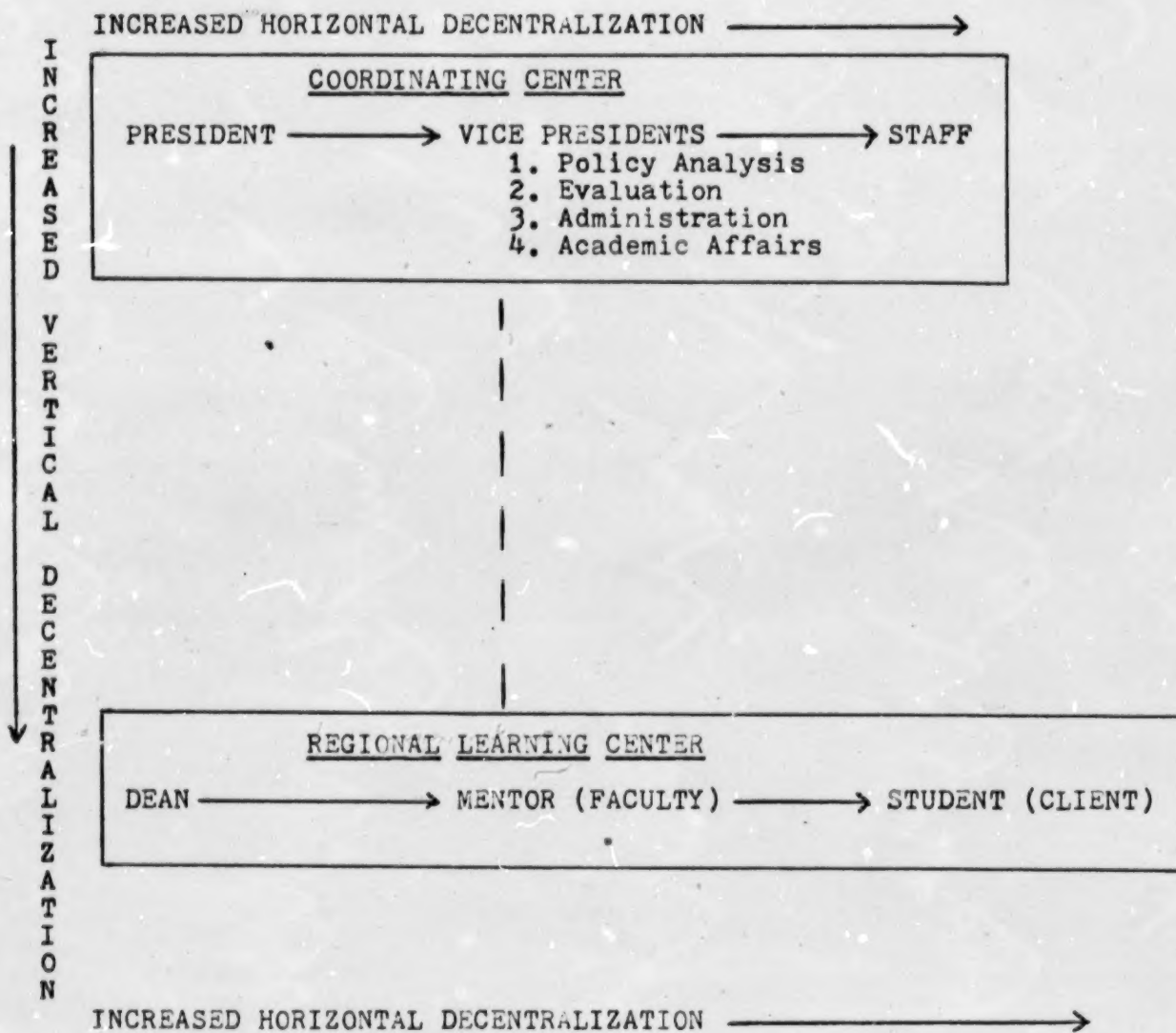


FIGURE III

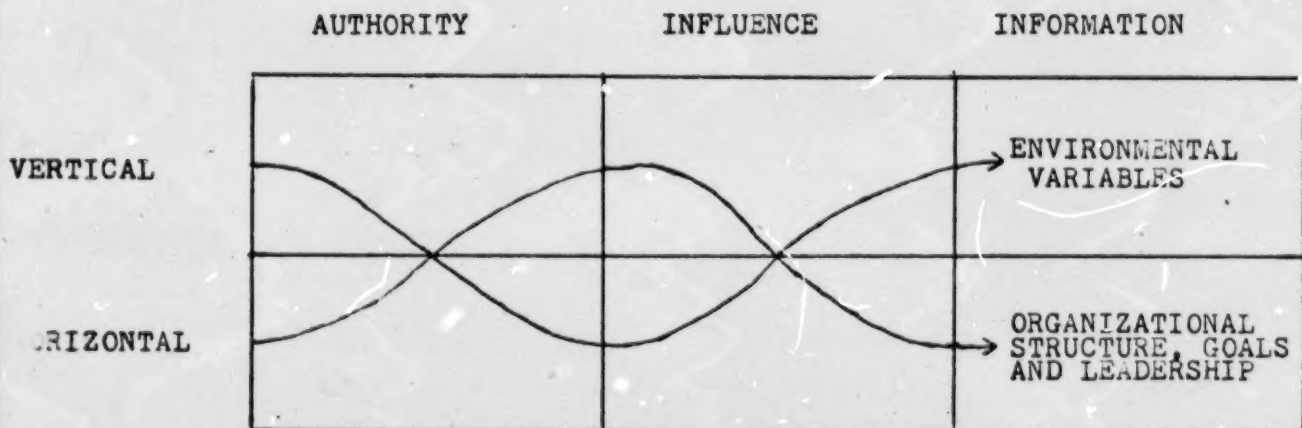


FIGURE IV